

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Extended Study Session

September 9, 2002  
6:00 p.m.

Council Chambers  
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Degginger, Councilmembers Davidson, Lee and Mosher

ABSENT: Councilmembers Creighton and Noble

1. Executive Session

Deputy Mayor Degginger opened the meeting at 6:00 p.m. and announced recess to executive session for approximately one hour to discuss two items of property acquisition and one personnel item.

The study session resumed at 7:38 p.m. with Mayor Marshall presiding.

2. Bellevue Sister Cities Presentation

Judy Louisell, Sister Cities Program Administrator, introduced Tomas Kalab, Finance Director for the City of Kladno, Czech Republic, and a staff exchange participant visiting Bellevue to learn about its budgeting process and financial systems. Mr. Kalab greeted the Mayor, Council, and citizens of Bellevue. He is pleased to be able to participate in the staff exchange program. Noting the September 11<sup>th</sup> anniversary, Mr. Kalab said he was in Prague last year with Susan Harper, a City of Bellevue employee, when they learned about the terrorist attacks. He looks forward to spending time with Bellevue staff and continuing the relationship between the two cities.

Vilis Barevics, President of Bellevue Sister Cities Association (BSCA), described his trip to the Sister Cities International annual conference in Toledo, Ohio, with Pat Hale, the Washington State Sister Cities Coordinator. The City of Bellevue and the BSCA Liepaja Committee received an Innovation and Education award at the conference for a partnership with the Liepaja Special Education School to help children with disabilities. Ann Knofel, BSCA representative who was instrumental in developing and implementing the education program, presented the award to Council.

Mayor Marshall displayed a crystal vase given to the City by Mr. Kalab when she met with him earlier in the day.

3. City Manager's Report

Noting a change in the agenda, Mayor Marshall recognized the city manager to provide a report.

City Manager Steve Sarkozy explained that Oral Communications is an opportunity for the public to speak to Council about general issues. Comments and requests regarding budget items should be presented during the Public Hearing scheduled for Agenda Item 5(b).

Mr. Sarkozy recalled comments by a resident, Richard Labrecque, at the September 3<sup>rd</sup> Council meeting regarding construction and traffic noise along Richards Road. Staff followed up and confirmed that the noise is keeping some residents up at night. In an attempt to provide some relief, the City will post Richards Road for no truck traffic over 32,000 pounds until construction is completed.

Mr. Sarkozy reminded the public of nighttime (11pm to 5am) closures on I-405 for four nights this week. He said the Access Downtown project is progressing well, both on time and on budget. Construction of the SE 8<sup>th</sup> Street portion is running ahead of schedule. Large girders 96 to 114 feet in length and weighing 20,000 to 25,000 tons each will be moved into place at the I-405/NE 8<sup>th</sup> Street interchange this week as well.

Mr. Sarkozy acknowledged recent phone calls and emails regarding the Crossroads Youth Theatre program at Ivanhoe Theatre. He reassured the public that no budget reductions have been discussed for the theatre and the City continues to fully support this award-winning program.

4. Oral Communications

- (a) Maureen Newman identified herself as a professional actor, singer, director, and producer who has been in the theatre business for more than 30 years. She expressed support for the Crossroads Youth Theatre program, which offers opportunities to sing, dance, and act at no cost to participants. Ms. Newman would like to continue to see James McClain in the position of producer at Crossroads Youth Theatre.
- (b) Donna Jenkins described James McClain as a leader and mentor with a strong vision for community theatre. She praised his willingness and ability to involve all interested residents, young and old, in productions at Crossroads Youth Theatre.

Mayor Marshall said Council appreciates the community's expressed support for the Crossroads Youth Theatre program.

5. Study Session

- (a) Council New Initiatives

Mayor Marshall noted that Bellevue has been working on regional issues with other Eastside cities. Last week, the TransLake Washington Executive Committee voted to approve an alternative for the SR 520 bridge that will add two new HOV lanes and the structural strength to add high-capacity transit in the future.

Mrs. Marshall said she and Councilmembers Mosher and Noble have worked with the Eastside Transportation Partnership for the past two years to develop input into King County's Six-Year Transit Plan. She noted the citizen vote for a two percent transit tax increase, which will help provide new service hours for the Eastside. The King County Council adopted the Six-Year Transit Plan today to allocate new service hours. The East Subarea will receive 40 percent of all new transit hours, South King County will receive 40 percent, and the West Subarea (Seattle) will receive 20 percent of all new transit hours.

Mayor Marshall explained that all trans-lake bus routes were previously allocated as East Subarea service hours. In the new Six-Year Transit Plan, these service hours will be split equally between the West and East Subareas. The Plan further recognizes that one subarea's unique priorities will not dictate system-level decisions. Mayor Marshall thanked the community, fellow Councilmembers, and ETP member cities for their hard work and support over the years to improve Eastside transit service.

(b) Public Hearing on 2003-2004 Budget

➡ Deputy Mayor Degginger moved to open the public hearing, and Mr. Mosher seconded the motion.

➡ The motion to open the public hearing carried by a vote of 5-0.

(1) Kirk Laughlin, Youth Eastside Services, said this social services agency was founded by volunteers in Bellevue in 1968. YES serves more than 27,000 youth and families annually and more than half of those served are Bellevue residents. Mr. Laughlin said YES is studying the feasibility of expanding its Crossroads Park facility. Service hours have more than quadrupled in 10 years due to the Eastside's population growth and the increasing complexity of youth and family problems. Mr. Laughlin requested the City's help to expand YES's facility and serve more residents.

(2) Kathy Surace Smith, a member of the Board of Trustees for The Children's Museum, said the museum's mission is to celebrate diverse cultures through arts and creativity with a focus on children ages 2 to 12 and their families. Ms. Smith said market research in recent years indicated an interest among Eastside families for a Children's Museum in Bellevue. To that end, The Children's Museum has launched a capital campaign. The museum has raised \$1.1 million so far, hired an architect, and is currently negotiating a lease in downtown Bellevue. Ms. Smith noted a pending budget request with the City of Bellevue for \$450,000, which represents 10 percent of the capital budget. She said the museum is supported by Bellevue Art Museum as well as the owner of Crossroads Shopping Center, where an outreach site will be launched later this year. Ms. Smith said

a Children's Museum will complement Bellevue Art Museum and the proposed Performing Arts Center. The City's support will help leverage private funding, demonstrate the City's commitment to the diverse cultural enrichment of children and families, and provide a community resource.

- (3) Wendy Randall spoke on behalf of AtWork, a certified rehabilitation and employment training program for individuals with development disabilities with centers in Bellevue and neighboring communities. She thanked the City for its support. AtWork has experienced recent budget cuts due to a loss of funding from the Division of Development Disabilities and the Department of Vocational Rehabilitation. AtWork continues to diversify its funding streams and expand its commercial contracts. However, 40 percent of the agency's funding comes from partnerships with the city, the state, and federal and private funding sources. Ms. Randall requested Council's continued support of this program.
- (4) Betty Nokes, President of the Bellevue Chamber of Commerce, read a letter to Council outlining the Chamber's suggested guiding principles for the City's 2003-2004 budget. The Chamber encourages the City to avoid tax increases, continue providing the same level of services, enhance its emphasis on economic development, and continue with needed capital investments such as transportation projects.
- (5) Trevor Pottinger and Jim Deress asked Council to fund BMX tracks and skate parks for youths in Bellevue.
- (6) Evelyn Zeller, a Cherry Crest/Bridle Trails resident, asked Council to approve the recommended capital improvement project for 24<sup>th</sup> Street in the vicinity of 126<sup>th</sup> Avenue. She feels the project will greatly improve safety for cars and pedestrians along the road.
- (7) Nels Magelssen concurred with Ms. Zeller's comments and expressed support for the 24<sup>th</sup> Street project. As a neuropsychologist, Dr. Magelssen is familiar with the effects of motor vehicle accidents on individuals.
- (8) Tom Conover, a member of the West Lake Hills Citizen Advisory Committee, discussed the need for safety improvements to 145<sup>th</sup> Place, particularly with six schools located along or near the road. He thanked staff for supporting this project and asked Council to fund improvements in the Capital Investment Program (CIP) Plan.
- ➡ Mr. Mosher moved to close the public hearing, and Mr. Degginger seconded the motion.
- ➡ The motion to close the public hearing carried by a vote of 5-0.

(c) Cascade Water Alliance Proposed Action Plan

City Manager Steve Sarkozy noted the City's ongoing planning for its long-term water supply needs and introduced staff to describe a proposed action plan developed by the Cascade Water

Alliance. Deputy Mayor Degginger serves as Chair of the CWA Board and Councilmember Davidson is an alternate.

Utilities Director Lloyd Warren reviewed the supply components of Cascade Water Alliance's Action Plan. The goal is to meet member cities' immediate needs through a new arrangement to purchase a block of water from Seattle. Short-term growth needs involve an interim supply from Tacoma, with a long-term focus on developing a new water supply at Lake Tapps.

Mr. Warren described the elements of the action plan. The first step is to complete a new block contract with Seattle. Mr. Warren said this agreement would be a "take or pay" arrangement in which CWA would purchase the block of water, whether or not it used the entire block over a 25-year period. Agreement on pricing has not been reached with Seattle. CWA will be responsible for meeting future growth needs of its member cities. Seattle would not be obligated to provide future water supplies. CWA will not pay costs associated with Seattle's future growth needs.

Mr. Warren explained that Seattle is not interested in participating in the Tacoma Second Supply Project, which would bring new water into the region and connect the Seattle and Tacoma systems, due to concerns about water quality. To meet its immediate 20-year needs, CWA proposes action to purchase water supply from Tacoma and its partners in the Second Supply Project, which currently has a surplus of water. Currently there is no water pipeline between Tacoma and CWA's member cities. Therefore, CWA is interested in immediately pursuing construction of a pipeline to connect the Tacoma system to the Eastside (Issaquah). This same pipeline would link to Lake Tapps in the long-term future. Mr. Warren displayed a map and described the pipeline currently being completed between Bellevue and Issaquah. Two additional proposed pipeline segments would complete the connection between the Tacoma system, Issaquah, and the Eastside.

Mr. Warren said Issaquah and the Sammamish Plateau are two of the fastest growing areas within Cascade Water Alliance. They do not have access to Seattle water. The Eastside supply line between Bellevue and Issaquah has been built by Issaquah and developers for \$18 million. Cascade Water Alliance would like this to be its first acquisition as it builds a regional water supply system. Mr. Warren said this action will require long-term financing and a long-term relationship between CWA members.

Major contributors to CWA in the short term include the Sammamish Plateau and Redmond, who will contribute more than \$1 million annually. The Sammamish Plateau Board of Commissioners indicated general support for the plan but pointed out that contributions for connection charges to the regional system should result in access to additional supply. Part of the Action Plan calls for not only regionalizing the Issaquah pipeline, but an interim supply arrangement with Issaquah so the Sammamish Plateau can have access to supply and relieve its moratorium until the Tacoma-Eastside pipeline can be built (estimated at five years).

Mr. Warren said long-term needs will be met through the development of a water supply at Lake Tapps. CWA has been working to acquire the water rights, and the Washington State Department of Ecology is expected to reach a preliminary decision later this year or early next

year. Financial projections reflect a phased project to acquire a substantial water supply for future growth and fisheries needs.

In order to proceed with the Action Plan, the development of a new CWA interlocal agreement will be necessary to formalize commitments by member cities and CWA. CWA would become the new wholesale water provider for member cities, including Bellevue. Bellevue's water contract would be with CWA and not with Seattle. This arrangement allows CWA to invest in long-term capital needs and financially obligates Bellevue and other member cities. Capital facilities will be owned by CWA member cities. The agreement will include hold harmless provisions to protect member cities if another city decides to withdraw from the agreement. This document will obligate member cities into the long-term future, and execution of the agreement is anticipated early next year.

Turning to costs, Mr. Warren cautioned that there are more assumptions than answers at this point. For comparison purposes, CWA is using Seattle's proposed renewal terms instead of the current contract that expires in 10 years. Seattle has established a deadline of May 2003 for existing water purveyors to sign their new contract. CWA member costs include administrative costs based on the number of connections, supply costs calculated using the same unit cost for all members, and growth facility charges. The short-term focus will be on administrative and growth costs. If growth does not occur as projected, members will be required to cover CWA's costs until growth can pay for the facilities.

Mr. Warren referred Council to page 4-17 of the Council packet for a comparison of CWA and individual Seattle contract costs. He noted three pages of assumptions following the graph on page 4-17. The cost comparison reflects slightly increased CWA costs initially due to needed capital investments such as the Tacoma-Eastside pipeline. Mr. Warren noted this is not only an issue of finances but an issue of governance, leadership, and cities' self-determination for the future.

Mr. Warren said the CWA Board is seeking support for the Action Plan. He feels this may be the last opportunity for a regional water coalition. Further Council discussion is scheduled for the September 23 Study Session.

Councilmember Mosher noted increasing water and sewer rates. He supports CWA's efforts as a positive step to control costs and rates into the future. In response to Mr. Mosher, Mr. Warren recalled the City's efforts in 1985 to establish an independent water supply through the North Fork Snoqualmie project. Since that time, Council has retained a vision for a regional effort to achieve this goal.

Deputy Mayor Degginger feels CWA's Action Plan implements Council's interest statement on water issues and water supply. He reviewed the benefits of the capital investments needed to provide a long-term water supply for Bellevue and CWA member cities. He noted the current challenges in transportation because the region did not make decisions 20 years ago and likened the situation to the current need to develop a long-term water supply. Mr. Degginger said CWA is focused on ensuring the development of an adequate water supply for the region.

At Mr. Degginger's request, Mr. Warren reviewed a handout of information provided by Seattle Public Utilities regarding the long-term water supply. Seattle's projections assume regaining 16 million gallons of supply from the Cedar River by 2038, which they have currently agreed not to use as part of the habitat conservation plan. Some experts question this assumption. Seattle has stated that both Northshore and Woodinville will be leaving the Seattle system, providing available water. Mr. Warren said both jurisdictions report that they are unaware of this assumption and will likely continue to need Seattle water. Also, Issaquah's and the Sammamish Plateau's growth needs are not included in Seattle's forecast. Mr. Warren said it is likely water demand will exceed Seattle's supply in 2012.

Dr. Davidson commented on Bellevue's early efforts to secure an independent water supply. He expressed concern about Seattle's recent decision to withdraw from the Tacoma Second Supply Project and Seattle's new contract, which maintains the Seattle City Council in a sole governance position over water issues. He feels Seattle is not moving in a regional direction. Dr. Davidson expressed support for CWA's Action Plan.

Deputy Mayor Degginger noted that CWA's Action Plan provides water supply options that do not currently exist.

Mr. Mosher expressed appreciation for Deputy Mayor Degginger's current efforts and Dr. Davidson's past work on water issues.

- ➡ Mr. Mosher moved to endorse Cascade Water Alliance's Draft Action Plan, and Deputy Mayor Degginger seconded the motion.
- ➡ The motion to endorse Cascade Water Alliance's Draft Action Plan carried by a vote of 5-0.

Mayor Marshall thanked Councilmember Mosher for his early involvement with the Cascade Water Alliance. She thanked Michael Gagliardo for his work as CWA General Manager.

At 9:15 p.m., Mayor Marshall declared the meeting adjourned.

Myrna L. Basich  
City Clerk

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